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91-1115

Supreme Court, U.S.
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No._____

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1991

VILLY DIERNISSE - PETITIONER

VS.

BUSINESS COMMUNICATIONS COMPANY, INC.

and LOUIS NATURMAN RESPONDENTS

PETITION FOR WRIT OF CERTIORARI

TO THE UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

PETITION FOR WRIT OF CERTIORARI

APPENDICES No. 1

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APPENDIX A

U.S. Court of Appeals for the Second Circuit.

Granting of Motion for Dismissal of Appeal by Appelles.

Case No. 91-7751

Ordered and filed August 27, 1991.

Order. It is hereby ordered that the motion be and it hereby is granted.

Signed. Richard J. Cardamone, Roger J. Miner, John M. Walker Jr.

APPENDIX B

U.S. District Court, District of Connecticut.

Decision of Mediation Panel Adopted by the District Court.

Civil No. B-84-44. (EBB)

Filed June 20, 1991.

In accordance with the Mediation Panel Order of United States Magistrate F. Owen Eagan, dated January 13, 1991, the undersigned heard the presentations of the parties on May 21 and June 5, 1991, and answer questions submitted by the parties, as amended, as set out below.

Amendments submitted by the parties are to Questions 2., 6., 7a. (new), 17a (new) and 18.G. and H., 20, 21, 22, and 23 (all new, but drafted by the Panel).

The answers represent the unanimous determinations of the mediation panel.

1. Are the copyright rights in defendants BBC's publications P-049 and P-034R,

owned by plaintiff, defendant BCC or defendant BCC and plaintiff jointly?

Answer: P-049 - Plaintiff

P-034R - Jointly

2. If the answer to 1 above is "plaintiff," did defendants infringe plaintiff's copyrights in P-049 and P-034R by any other publication?

Answer: Yes, by P-079 only.

A. Notwithstanding whether the answer to 2 above is yes or no, is plaintiff's claim for relief barred by 17 U.S.C. § 507(b)?

Answer: No.

B. Notwithstanding whether the answer to 2 above is yes or no, has the plaintiff by his conduct waived his right to enforce copyrights, and/or has he estopped himself?

Answer: No.

C. Notwithstandingh whether the answer to 2 above is yes or no, has the plain-

tiff been barred by laches for his delay in presenting his claim?

Answer: No.

D. Notwithstanding whether the answer to 2 above is yes or no, is plaintiff guilty of "unclean hands" with respect to all of the claims of his complaint and or/substituted complaint?

Answer: No.

3. If plaintiff did not own the copyrights, did the defendant own them under the work for hire doctrine?

Answer: Not applicable.

4. If the defendant originally owned the copyrights, did the plaintiff become the owner due to the defendant,s material breach of contract?

Answer: Not applicable.

5. Did the defendant slander and/or libel the plaintiff?

Answer: No.

6. Did the defendant engage in unfair

competition against the plaintiff?

Answer: No.

7 Were plaintiff's contributions to P-049 and P-034R sufficiently original to warrant copyright protecion?

Answer: Yes.

7a. Were defendant's contributions to P-049 and P-034R sufficiently original to warrant copyright protection?

Answer: Yes as to P-034R; no as to P-049.

8. Did plaintiff abandon or forfeit his copyright protection by failure to publish P-049 and P-034R with a proper copyright notice?

Answer: No.

9. Did plaintiff give up his right to statutory damages by failing to register claims of copyright within three months of publication of P-049 or P-034R?

Answer: Not applicable to claimed infringements by P-049 and P-034R.

Plaintiff registered his claim in P-049 prior to the infringement by P-079.

10. Were P-049 and P-34R derived by plaintiff from previous publications of BCC, such as P-033R and P-034R?

Answer: Not relevant to issues in case.

11. Did plaintiff commit fraud in obtaining his copyright registrations for P-049 and P-034R, by stating in his copyright registration applications:

A publication date 8 months earlier than publication actually occurred for P-034R

or that no previous registration for publication had been received by anyone, whereas, in fact, plaintiff knew that defendant BCC had previously registered copyrights in such publications?

Answer: No.

12. Were BCC's contributions to P-049 and P-034R sufficient to qualify BCC for joint authorship with plaintiff?

Answer: No, as to P-049; es, as to P-034R.

13. Did plaintiff breach its contract with defendant BCC on a publication titled "Retort Pouch"?

Answer: Yes.

14. If the answer to 13 above is "yes," what damages are owing from plaintiff to defendant BCC?

Answer: $3115.05, the expected profit plus $3500. publicity expense incurred, and $320.21, Expenses Paid, or a total of $6,935.26.

15. Did the defendant b each any of the following oral contracts, and if so, when?

A. Forming I

Anwer: Yes, November 26, 1980.

B. Food Packaging

Answer: Yes, November 26, 1980.

C. Retort

Answer: No

16. Did the defendant cause the plaintiff emotional distress?

Answer: No

17. Were the defendants' acts willful, malicious or in bad faith?

Answer: No

17a. Were the plaintiff's acts willful, malicious or in bad faith?

Answer: no

18. Is the plaintiff entitled to any of the following:

A. Restitution damages?

Answer: No.

B. Compensatory damages?

Answer: Yes.

C. Punitive damages?

Answer: No.

D. Defendant's profits?

Answer: Yes. Parenthetically, it is our opinion that if plaintiff were entitled to statutory damages, those damages would not have exceeded those awarded as

actual damages.

E. Costs?

Answer: no.

F. Interest?

Answer Yes.

G. Injunction?

Answer: No.

H. Other equitable relief?

Answer: No.

19. If so, which one and how much?

18.B. Answer: $3,394.35 on unpaid royalties on P-034R and P-049.

18.D. Answer: $2,743.75, defendant's profits on P-079 attributable to the infringement of P-049 (25%).

18.F. Answer: Interest on $3394:35 from November 26, 1980 at 8% per annum to September 30, 1983; and at 10% per annum from and after October 1, 1983 to the date of this finding. See Connecticut General Statute § 37-3a, and §Lodges 743 and 1746, etc. v. United Aircraft,§ 534 F.

2d 422, 446 (CA. 2, 1975). (See also 28 U.S.C. § 1961 as to postjudgment interest). The total is $3343.74.

Interest on $2743.75 at 10% per annum, from April 13, 1984, to the date of this finding. The total is $1970.16. Grand total is $5313.90.

20. Did the defendant breach any trust to the plaintiff?

Answer: No.

21. Is the defendant entitled to any of the following:

A. Restitution damages?

Answer: No.

B. Compensatory damages?

Answer: Yes.

C. Punitive damages?

Answer: No.

D. Plaintiff's profits?

Answer: No.

E. Costs?

Answer: No.

F. Interest?

Answer: Yes.

G. Injunction?

Answer: No.

H. Other equitable relief?

Answer: No.

22. If so, which one and how much?

21.B. Answer: See Answer to Question 14.

21.F. Answer: Interest from January 1, 1983, a point midway in the sales period 1981-1985, inclusive, to September 30, 1983, at 8% per annum; and at 10% per annum from and after October 1, 1983 to the date of this finding. The total is $5767.71.

SUMMARY OF DAMAGES

Due Plaintiff:

Damages	$ 6,138.10
Interest	$ 5,313.90
	$11,452.00

Due Defendant:

Damages	$ 6,935.26
Interest	$ 5,767.71
	$12,702.97

Net due Defendant: $1,250.97

Mediation Panel:

Signed Edwin Komen, Lewis Kurlantzick, J. Read Murphy

Appoved: F. Owen Eagan, United States Magistrate Judge

So Ordered: Ellen Bree Burns, Chief Judge

APPENDIX C

U.S. District Court, District of Connecticut

Denial of Omnibus Motion

Civil B-84-44 (EBB)

Ordered and filed May 14, 1991

Omnibus Motion

Plaintiff respectfully asks the Court to grant the following:

1. An order to Defendants not to introduce any issue, which they have not claimed in their Answer to Substituted Complaint of May 20, 1988.

2. Permission to Plaintiff to introduce into evidence his exhibit 24, Proposed Ruling on Motion for Preliminary Injunction, dated September 3, 1985 (Accepted and ordered on September 24, 1985).

3. Reconsideration of the Court's Ruling at the hearing on April 15, 1991, and dismissal of Defendants' counter-

claim.

4 An order precluding Defendants from amending their claim of damages from their claim of November 7, 1989, filed in compliance with the Court Order of October 31, 1989.

5. Permission to Plaintiff to claim damages under F.R.C.P. Rule 11 and 28 U.S.C. § 1927.

May 14, 1991

Requests 1 through 4 are denied. Request No. 5 is denied without prejudice. See oral ruling in open court on May 13, 1991.

Signed F. Owen Eagan, United States Magistrate Judge

APPENDIX D

U.S. District Court, District of Connecticut

Scheduling Order

Civil No. B-84-44 (EBB)

Ordered and filed May 13, 1988

Scheduling Order

The scheduling order in the above-captioned case is revised as follows:

Defendant Louis Naturman shall file an answer to the substitued complaint within twenty days of the date of this order

Defendant Business Communcations Co., Inc. shall file an answer to the substituted complaint whin twenty days of the date of this order.

Discovery shall be completed by August 12, 1988.

Dispositive motions shall be filed by September 12, 1988.

So ordered.

Signed Ellen Bree Burns, United States

District Judge

Dated at New Haven, Connecticut, this 13th day of May, 1988.

APPENDIX E

U.S. District Court, District of Connecticut

Omnibus Ruling

Civil No. B-84-44 (EBB)

Ordered and filed May 13, 1988

Omnibus Ruling

On December 1, 1987, the court heard oral argument on several pending motions in the above-captioned action. Plaintiff was ordered to submit a status report concerning outstanding discovery motions. This report was submitted, and the parties have both submitted reply letters. This ruling addresses each outstanding motion.

Ruling on Plaintiff's Motion for Summary Judgment

In 1979, plaintiff orally contracted with defendant Business Communications Co., Inc. ("BCC"), to provide two technical reports. BCC was to publish and sell

these reports and pay royalties to plaintiff. The works are entitled Plastics in Forming: New Technology, New Economics, New Potential ("Forming I") and Plastics in Food Packaging ("Food Packaging I"). BCC claims that it obtained copyrights on these works in 1980, and indicated such on all published copies. Relations between the parties deteriorated over circumstances involving a third report, The Retort Pouch: What's Happening? ("Retort Pouch"). This affected their arrangement involving the first two reports when defendants withheld royalties. In December, 1983, Plaintiff filed copyright applications for Forming I and Food Packaging I, and now claims sole ownership of these exclusive copyrights.

Plaintiff filed this suit in January, 1984. His substituted complaint, filed February 18, 1986, sounds in seven counts. Counts one and three state

copyright infringement claims with respect to Forming I and Food Packaging I, counts two and four state breach of contract claims predicated on defendants' withholding of royalties due on these reports, count five states a slander of title claim, and count six states a Connecticut Unfair Trade Practices Act ("CUPTA") claim. In count seven, plaintiff seeks to hold Mr. and Mrs. Naturman, the owners of BCC, personally liable on the copyright infringement counts.

In his motion for summary judgment, plaintiff seeks to establish defendants' liability on all seven counts. He further requests that the court deem defendants' conduct regarding the oral contracts to constitute a repudiation. Plaintiff also seeks summary judgment on defendants' counterclaims. Defendants are seeking a declaratory judgment holding that BCC is the sole owner of the

copyrights to Forming I and Food Packaging I. They also seek damages attributable to plaintiff's allegedly improper copyright registrations. In the second count, defendants claim that plaintiff breached the contract for Retort Pouch, and they seek damages.

For the following reasons, plaintiff's motion for partial summary judgment is denied.

A. Counts one and Three

Plaintiff argues that he is the owner of the copyrights to Forming I and Food Packaging I by virtue of a ruling issued by Magistrate Smith. Motion for Partial Summary Judgment at 11. On September 3, 1985, plaintiff obtained a preliminary injunction restraining defendants from selling or distributing Forming I and Food Packaging I or any derivative works. This court appproved and adopted the ruling on September 25, 1985.

Plaintiff's reliance on this ruling is erroneous. "(T)he findings of fact and conclusions of law made by a court granting a preliminary injunction are not binding at a trial on the merits...." University of Texas v. Camenisch, 451 U.S. 390, 395 (1981). See also Hamilton Watch Co. v. Benrus Watch Co., 206 F. 2d 738, 742 (2d Cir. 1953). Although evidence received at a Rule 65(a) hearing is admissible at trial, "finding of fact made after a hearing on the application for a preliminary injunction... cannot be used to ground a motion for summary judgment when they resolve contested issues of fact." 7 J. Moore, Moore's Federal Practice paragraph 65.04(5), at 65-96 (2d ed. 1987).

In the instant case, plaintiff and BCC both claim to own exclusive copyrights to Forming I and Food Packaging I. The record, as it presently exists, is not

dispositive of this issue. As the court finds that this is a "genuine issue (of) material fact," see Rule 56(c), Fed. R. Civ. P., summary judgement is inappropriate and is denied.

B. Counts Two and Four

Plaintiff claims that defendants breached a contractual commitment to account and to pay royalties for sales of Forming I and Food Packaging I. In his brief, plaintiff contends that this conduct constitutes a repudiation of the contracts, entitling him to rescind the contracts and to obtain copyright damages. Motion for Summary Judgment at 13. In Mr. Naturman's declaration, however, he claims that BCC provided plaintiff with accountings. Paragraph 9. He further acknowledges that defendants had a royalty obligation to plaintiff. Id t paragraph 8. Based on the dispute over the Retort Pouch report, however, he contends

that they " attempted to offset our losses by applying a portion of his royalties to his outstanding debt to us." Id. Plaintiff claims that the unpaid royalties amount to almost $7,200, Motion for Summary Judgment at 13, while defendants suggest a figure of half that amount, approximately $3,100, Decl. of L. Naturman paragraph 8.

The record is not sufficient for the court to grant summary judgment. Although the parties agree that royalties were withheld for Forming I and Food Packaging I, they disagree as to the justification, if any, for defendants' conduct. The court concludes that there remains a genuine dispute regarding the terms of the royalty arrangement in the parties' oral contractual relationship. The factual issue of what relationship, if any, Retort Pouch had to Forming I and Food Packaging I remains unresolved. Nor

is this court willing to hold, as a matter of law, that defendants' conduct constituted a repudiation of the contracts. Plaintiff's motion for summary judgment on counts two and four is denied.

C. Counts Five and Six

Plaintiff's motion for summary judgment on these state-law claims is derivative of the copyright claims in counts one and three. Because the issue of copyright ownership is central to both claims, and because this issue remains unresolved, summary judgment on counts five and six is denied.

Ruling on Defendant's motion for Summary Judgment

Defendant Elaine Naturman seeks dismissal of count seven of plaintiff's action. In that count, plaintiff alleges that, due to Mr. and Mrs. Naturman's ownership and operation of Business

Communications Co., Inc. (BCC), the corporate defendant, they are personally liable for damages, if any, awarded to plaintiff for his copyright infringement claims (counts one and three). See Substituted Complaint Count Seven paragraphs 2, 3.

Mrs. Naturman contends that, under copyright law, the test of personal liability "is whether the individual defendant has the right and ability to supervise the infringing activity and also has a direct financial interest in such activities." Memorandum at 2-3 (Jul. 24, 1987). The court concurs. plaintiff must either show that the individual defendant personally participated in the acts constituting an infringement or that she had the right and ability to supervise the infringing conduct, as well as a direct financial interest in such activity. Lottie Joplin

Thomas Trust v. Crown Publishers, Inc.,456 F. Supp. 531, 537 (S.D.N.Y. 1977), aff'd 592 F.2d 651 (2d Cir. 1978). See also Gershwin Publishing Corp. v. Columbia Artists Management, Inc., 443 F.2d 1159, 1162 (2d Cir. 1971) (individual liability depends on status as "vicarious" infringer, i.e.,supervising the infringing activities and a direct financial interest therein, or a " contributory" infringer, i.e., one who, with knowledge of infringing activities, induces, causes, or materially contributes to the infringing activities).

In her motion for summary judgment, Mrs. Naturman acknowledges that she is an officer on the corporation's books. Her role has been confined, however, to part-time bookkeeping and other clerical duties. Declaration of Elaine Naturman paragraph 2. Mrs. Naturman claims that she exercises no managerial or superviso-

ry authority at BCC, and that she does not participate in the company,s operations involving its writers or its written products. Id. Paragraphs 3, 4. Moreover, she disavows any communications with plaintiff. Id. paragraph 5.

The complaint is silent as to particularized activity on Mrs. Naturtman´s part. In his motion for partial summary judgment, plaintiff contends tha because Mr. and Mrs. Naturman are BCC´s sold (sic) shareholders, directors, and officers, they are the "sole beneficiaries of the corporation´s profits." Id. at 23-24. According to plaintiff, this "direct financial interest" in the allegedly infringing activities, coupled with their "activities and participation," serve as the basis for individual liability. Id. at 23 (relying on Lottie Joplin Thomas Trust, supra, 456 F. Supp. at 537). He claims that Mrs. Naturman is a BCC policy

maker, id. at 24, and that she served as BCC's bookkeeper, among other capacities, id. at 23.

The evidence does not implicate Mrs. Naturman as either a vicarious or a contributory infringer. Plaintiff's evidence suggesting that Mrs. Naturman had any operational involvement in BCC's business, other than her clerical role, is ambiguous at best. The following colloquy occurred between plaintiff's counsel and Mr. Naturman during Mr. Naturman's deposition.

Q And then all of the directors and the policy makers and the other supervisors were you and your wife?

A No, that is not correct.

****

Q Are there any other policy makers?

A Yes.

Q Who are they/

A whoever is employed at that time in

a position to be a policy maker. An employee with a position of authority would be a policy maker.

Q How many people are currently in those positions?

A Three

Q What are their names, please?

A Peter Mooney ... Mehrnoz Rubin ... Phil Rotheim. Defendants' Motion for Sanctions (letter dated Oct. 7, 1987) (excerpts from Dep. of L. Naturman at 4-5). Plaintiff interprets this conversation to suggest that there were three policy makers in addition to Mr. and Mrs. Naturman. Mr. Naturman expressly challeges this interpretation, claiming under oath that

> As I stated on page 5, however, I identified three other individuals as having such a policy-making position. This list was to be in addition to myself. My wife was not intended to be included in such a listing and is accordingly wrongfully so identified by plaintiff.
> Declaration of L. Naturman at para-

graph 12.

Even resolving this disputed fact in plaintiff's favor, for purposes of deciding this motion, plaintiff's claims must fail. "Courts have rarely imposed liabiligy on a corporate officer for the infringing acts of the corporation without some inquiry into either the officer's actual participation, or, at the very least, into the nature if his function within the corporation." Rohauer v. Killiam Shows, Inc., 379 F. Supp. 723, 729 (S.D.N.Y. 1974), rev'd on other grounds, 551 F.2d 484 (2d Cir.), cert. denied, 431 U.S. 949 (1977).

It is uncontested that Mrs. Naturman's functions at BCC involved part-time bookkeeping and clerical work. There is no evidence that she knew of and participated in the allegedly infringing activities of BCC. The court holds, therefore, that she cannot be held liable as a

contributory infringer. Nor can she be held liable under a vicarious infringement theory. Plaintiff's claim that she is a policy maker is speculative and undefined. Indeed, the only definition for the term, offered by Mr. Naturman in his deposition, excludes Mrs. Naturman. See supra ("An employee with a position of authority would be a policy maker."). Such a "meager factual record" is an insufficient basis upon which to predcicate personal liability for Mrs. Naturman. See Rohauer, supra, 379 F. Supp. at 729 Cf. RSO Recors, Inc. v. Peri, 596 F. Supp. 849, 858 (S.D.N.Y. 1984) (individual liability supported by evidence indication that Peri was personally involved in all aspects of the infringing activity); Boz Scaggs Music v. KND Corp., 491 F. Supp. 908, 913 (D. Conn. 1980) (vice president and general manager of radio station personally liable because he

supervised and controlled daily operations).

Accordingly, the defendant Mrs. Naturman's motion for summary judgment is granted and she is dismissed from this case.

Ruling on Defendants' Motion for posting of Bond or Termination of Preliminary Injunction

On September 3, 1985, plaintiff obtained a preliminary injunction from Magistrate Smith, which this court adopted and approved on September 25, 19985. No security was required of plaintiff at that time. Plaintiff contends, and defendants do not dispute, that no bond was requested; neither did the defendants file an objection with this court or seek appellate court review of the ruling.

On May 14, 1987, defendants moved for relief, seeking either the imposition of a bond requirement or termination of the

preliminary injunction. Plaintiff responded in November 1987, and oral argument was held on December 1, 1987. For the following reasons, defendants' motion is granted in part and denied in part.

Discussion

The preliminary injunction was predicated on a single stipulated issue: "whether there was such an exercise of supervision and control by the defendant that plaintiff is not an independent contractor." Proposed Ruling on Motion for Preliminary Injunction ("Ruling") at 2. Magistrate Smith concluded that plaintiff was an independent contractor " and that Diernisse -- not BCC or its employees ... -- is the author and artistic creator of the subject works." Id. The preliminary injunction that issued

> restrain(ed) the defendants, its agents, servants and employees and all persons acting in concert with them from distributing, publishing and selling copies of the books Plastics

Forming and Plastics in Food Packaging or any works derived therefrom.[1] In addition, defendant should be restrained from holding itself out as the copyright owner of those works and from doing any act inconsistent with the plaintiff's ownership of these copyrights.

Id. at 16-17. The Ruling is silent on the issue of a bond requirements.

In their brief, defendants argue that plaintiff should post a bond adequate to cover ther losses stemming from the inability to sell previously copyrighted works and any derivative works. In the alternative, they seek the termination of the prelilminary injunction, contending that the failure of the court to consider the posting of a bond renders the injunction imprope.

A. Propriety of the Preliminary Injunction

Rule 65(c) states that "(n)o restraining order or preliminary injunction shall issue except upon the giving of security by the applicant, in

such sum as the court deems proper, for the payment of such costs and damages as may be incurred or suffered by any party who is found to have been wrongfully enjoined or restrained." Rule 65(c), Fed. R. Civ. P. Despite the compulsory language in Rule 65(c), it generally is conceded that the question of whether any security is required, as well as the amount of security, falls within the discretion of the court. See 7 J. Moore, Moore's Federal Practice paragraph 65.09, at 65-120 (2d ed. 1987). In the Second Circuit, the court may dispense with security absent a showing of likelihood of harm to the enjoined party. International Controls Corp. v. Vesco, 490 F.2d 1334, 1356 (2d Cir.) ("especially in view of the phrase -- 'as the court deems proper'"), cert. denied, 417 U.S. 932 (1974); Ferguson v. Tabah, 288 F.2d 665, 675 (2d Cir. 1961).

Defendants ague that the failure of the court expressly to consider the issue of security renders the injunction improper. Memorandum at 4. See, e.g., Roth v. Bank of the Commonwealth, 583 F.2d 527, 539 (6th Cir. 1978), cert. dismissed 442 U.S. 925 (1979); System Operation, Inc. v. Scientific Games Development Corp., 555 F.2d 1131, 1145 (3d Cir. 1977); 7 Moore's Federal Practice, supra, paragraph 65.09, at 65-122 (noting Roth). This is not a uniform holding. See, e.g., Continntal Oil Co. v. Frontier Ref. Co., 338 F.2d 780, 782 (10th Cir. 1964). Nor is it so in the Second Circuit. See, e.g., Clarkson Co., Ltd. v. Shaheen, 544 F.2d 624, 632 (2d Cir. 1976)("Because no request for a bond was ever made in the district court, and because under Fed. R. Civ. P. 65, the amount of any bond to be given upon the issuance of a preliminary injunction

rests within the sound discretion of the the trial court, the district court may dispense with the filing of a bond."). The court holds, therefore, that the absence of express consideration of Rule 65(c) in the ruling does not provide the grounds for termination the preliminary injunction or for voiding it ab initio. Defendants' motion predicated on this argument is denied.

B. Necessity for a Bond

A preliminary injunction is an interlocutory order, and is subject to the court's plenary power to revise it. 7 Moore's Federal Practice, supra, paragraph 65.07. at 65-115.

If defendants can demonstrate that they are or will be harmed by the preliminary injunction, a bond is appropriate. City of Hartford v. Hills, 408 F. Supp. 879, 887 D. Conn. 1975). In their brief, defendants argue that

> (by virtue of the entry of the preliminaary injunction, BCC has been precluded from offering for sale or selling its previously- copyrighted works which correspond the subject matter of Mr. Diernisse's copyrights, and has further been precluded from offering for sale or selling subsequent works which utilize such material. Accordingly BCC has been deprived of, and will continue to be deprived of the use of material which it believes it to have rights to.. This has caused and will continue to cause tangible economic injury to BCC. Memorandum at 3.

Plaintiff argues that defendants have not demonstrated any economic harm.[2]. He points out that "(m)ore than six years have elapsed since the publication of Forming I and Food Packaging I, and more than two and one-half years have elapsed since the publication of Formng II." Opposition Memorandum at 8. Moreover, based on an average shelf life of one and one-half years, plaintiff argues that no such economic harm can be asserted at this late date.

The court concurs with defendants'

interpretation of the preliminary injunction. The sale of Forming I and Food Packaging I was prohibited, as well as that of any derivative works. Should defendantys succeed on the merits of this action, the limited shelf life of these works may limit the amount of losses, not whether any such losses were incurred. Yet defendants' only attempt to quantify these losses is to suggest an amount of $52,000, "based upon plaintiff's claim of defendants' wrongful profits of that magnitude." Reply memorandum at 5. The court can find no specific or itemized damages claim by the plaintiff, other than his jurisdictional statement that the amount in controversy exceeds $10,000. As the court understands his claim, however, he seeks recompense for infringements that have already occurred. To the extent that he also claims damages on " lost sales," no evidence on the

record exists in order to quantify the claim. The court declines, therefore, to use the $52,000 figure. Given the protracted nature of this litigation, howver, the court will impose a bond requirement of $1,000. This should cover costs should the preliminary injunction be found to have been improvidently granted. Plaintiff shall post a $1,000 bond within thirty days of this ruling.

Ruling on Plaintiff's Second Motion for Contempt

In his second motion for contempt, plaintiff seeks several forms of relief. His brief addresses five issues.

(1) Defendants' Contempt of Preliminary Injunction

(2) Defendants' Contempt of the Discovery Process

(3) Dismissal of Defendants' Counterclaim

(4) Defendants' Willful Infringements

in Forming I, Food Packaging I, and Forming II

(5) Defendants' Willful Infringements in Books Sought in Order of April 29, 1986 to Compel Production of Documents.

Plaintiff's motion is denied for the following reasons.

A. Contempt of Preliminary Injunction

Plaintiff claims that defendants violated the preliminary injunction by offering two of the contested works for sale in December, 1985 (Food Packaging I and Forming II). The injunction, effective September 25, 1985, prohibited the sale of these works, as well as any conduct "inconsistent with the plaintiff's ownership of these copyrights." Proposed Ruling on Motion for Preliminary Injunction at 16-17.

Plaintiff's evidence, introduced at oral argument on December, 1987, is insufficient to establish that such an

offer was made. Moreover, no evidence was introduced to suggest that sales of these works continued after September 25, 1985. indeed, in his objection to defendants´ motion for posting of bond or termination of preliminary injunction, plaintiff argued that BCC is free to publish and sell Food Packaging I, as long as it doesn´t claim a copyright, but that it cannot sell Forming II. See Brief in Opposition to Defendants´ Motion for Posting of Bond at 7-8 (Nov. 4, 1987). The court questions this interpretation of the ruling. See Ruling on Defendants´ Motion for Posting of Bond or Termination of Preliminary Injunction n.2. It suggests, however, that as long as two years after the injunction entered, grounds exist for legitimate diffences on what conduct it proscribed. The plaintiff´s motion is denied.

B. Contempt of Discovery Process

Plaintff makes several claims of discovery obstruction, from delay and production of partial responses to ignoiring requests and reneging on agreements. plaintiff has compiled a list of "items sought in discovery and not yet produced by defendants." The list was discussed at oral argument on December 1, 1987, when plaintiff was ordered to submit an updated report to the court. He did so on January 14, 1988, and defendants responded in a letter dated January 26, 1988. The court will address each item, seriatim.

1. Cash Receipt Journal

Plaintiff performed a partial review of this information during his examination of BCC's Businees records at their premises in October, 1987. The court orders that the inspection continue, and defendants shall provide this information for the period 1980-1987, inclusive, and

designate it as such to plaintiff. The court notes, parenthetically, that inspection during business hours at BCC's premises, commencing at 10:00 a.m., is reasonable. The parties obviously may create other arrrangements, should they agree to do so.

2. Names and adresses of employees and ex-employees who have kept records and/or had contact with customers and the Register of Copyrights

Defendants provided two names, Louis Naturman (owner and operator of BCC), and Delores Violette (an eight-year employee). This, apparently, does not satisfy plaintiff. The court cannot intercede based on the request as posed. It is a compound question directed at eliciting several pieces of information. Plaintiff shall reformulate and redirect his questions to defendant with appropriate notice to the court. See Local Rule

9(d)(2). Defendants shall object or respond. See id. Rule 9(d)(3). Should plaintiff then wish the court to intercede, he must comply with local Rules 9(d)(4) and 9(d)(5).

3. True and accurate accounting of monies due plaintiff. This would include dates, reasons why money was due; and if royalties, name and address of customer, name of person who purchased, invoice number and amount, and amount paid

Plaintiff contends that this item has never been furnished. Defendants claim that it can be gleaned from plaintiff's examination of their business records. They further argue that they do not owe plaintiff an accounting.

Although Rule 33(c), Fed. R. Civ. P., allows defendants to make available BCC's business records as an answer to an interrrogatory, the rule does impose a specification requirement. The specifi-

cation "shall be in sufficient detail to permit the interrogating party to locate and to identify, as readily as can the party served, the records from which the answer may be ascertained." Defendants have offered for examination record cards, shipping records and books of account relating to sales, substantiated by looseleaf royalty record pages and other forms of records. plaintiff claims that a complete record cannot be constructed from the furnished information.

The court concurs with defendants that they are not obliged to provide plaintiff with an accounting. They are obligated, however, to provide complete reords. The court intimates no view as to whether the documents provided adequately answer plaintiff's inquiry. Defendants shall provide plaintiff with written instructions indicating how the documents interrelate and how to determine sales figures

for the allegedly infringing materials. A copy of these instructions shall be filed with the court. See Local Rule 9(d)(3).

Inquiries with date, company name and address, and inquirer's name

Plaintiff claims this was never provided; defendants claim that it was. Defendants shall file a written response with the court, pursuant to Local Rule 9(d)(3). Should plaintiff wish to challenge the suffiency of the response, he must comply with Local Rules 9(d)(4) and 9(d)(5).

5. Accounts receivable journal or cards

Defendants stated at oral argument that there is no account receivable journal. Plaintiff shall have access tro the cards when his examination of BCC's business records continues. Defendantss shall label or otherwise earmark the

cards. Should Defendants chose to provide copies in lieu of examination, they shall have thirty days from the date of this ruling within which to do so. Compliance must be indicated to the court, pursuant to Local Rule 9(d)(3).

6. Customer purchase orders .

Same as item 5.

7. Invoices after January 1, 1980

Same as item 5.

8. Books listed in order to compel, dated April 29, 1986

Same as item 5. See also Ruling on Motion for Protective Order (April 29, 1988).

9. Catalogues after January 1, 1984

Defendants contend that they have supplied this information, although no compliance was recorded with the court, pursuant to Local Rule 9(d)(3). Copies of the catalogues shall be provided to plaintiff within thirty days of the date

of this ruling, with compliance noted on the record, pursuant to Local Rule 9(d)(3).

10. Index cards from BCC's files

Sme (sic) as item 5.

11. Written Record of Items Produced

Defendants filed a notice of compliance in response to plaintiff's first set of interrogatories and requests for production on April 10, 1984. No other such notice is on the record. The defendants shall file such notice as directed for each of the items resolved in this ruling. Unless plaintiff indicates to the contrary within thirty day of the date of this ruling, the court shall assume, and defendants may proceed on the basis, that defendants are in complance with plaintiff's discovery requests, other than those discussed in this ruling.

12. Affidavits that a copy of the

preliminary injunction, dated September, 1985, has been distributed to all employees, the date of distribution, and the name and adresses of the employees

The preliminary injunction, as entered and as now modified, is valid. See Ruling on Defendants' Motion for Posting of Bond or Termination of Preliminary Injunction. The injunction had no provision ordering defendants to distribute a copy to each BCC employee, so the court cannot determine a basis for ordering defendants to attest to such in an affidavit. Plaintiff's discussion in his January 14, 1988, status report, does not state where on the record, authority for this request lies. Should plaintiff wish to pose interrogatories that elicit information concerning defendants' means of compliance with the preliminary injunction, he may do so. Absent such inquiries or an order from the court,

defendants need not provide the affidavit as requested.

13. Legible translation of information on looseleaf sheets (royalty sheets) produced July 14, 1986

This appears to have been furnished. Defendants shall record their compliance with the court, pursuant to Local Rule 9(d)(3). Contempt is not an appropriate vehicle to address plaintiff's inability to reconcile the figures with others gleaned from his examination of BCC's business records. Should plaintiff have questions either beore or after his continued examination, he may direct them to defendants, pursuant to Rules 33, or 36, Fed. R. Civ. P., and Local Rule 9(d)(2).

14. All new information wich Defendants are required to produce. This includes all sales not previously reported, and addresses of Defendants who

have moved.

This information apparently has been supplied, and will be supplemented by plaintiff's continued examination of BCC's records. All parties are obliged to supplement their discovery responses to include information thereafter acquired. See Rule 26(e), Fed. R. Civ. P. The rule further provides that the "duty to supplement may be imposed by order of the cour, agreement of the parties, or at any time prior to trial through new requests for supplementation of prior responses." Rule 26(e)(3), Fed. R. Civ. P. The court orders the parties to discuss supplementation and, if they cannot reach agreement, plaintiff is directed to make new requests.

15. Names and adresses of withnesses Defendants intend to call at trial

16 Documents Defendants intend to introuce at trial

Defendants claim they have not yet prepared this information. The information is discoverable. Because this case is now over four years old, defendants are directed to provide a response within thirty days of the date of this ruling. The answer may be supplemented prior to the completion of the discovery period.

17. Any other information relating to this action, which has not previously been produced

This request is overbroad. Should plaintiff wish to make further particularized inquiries, he man do so within the confines of the Federal Rules of Civil Procedure and the revised scheduling order.

C. Remaining Grounds

Plaintiff's additional grounds for seeking relief merit little consideration. He argues degendants' first counterclaim should be dismissed because it

was already resolved by the preliminary injunction ruling. The first count of the counterclaim seeks a declaration that BCC is the sole owner of the copyrights placed into issue by plaintiff, and seeks damages should defendants prevail. That plaintiff revailed on a preliminary injunctive basis, however, is not dispositive of this issue. See Ruling on Plaintiff's Motion for Partial Summary Judgment, supra. The second count of the counterclaim states a breach of contract action, to which plaintiff contends a thre-year statute of limitations appliies. Plaintiff errrs. See Conn. Gen. Stat. § 52-576(a) (six year statute of limitations for contract actions).

Plaintiff also seeks to have the court hold that defendants willfully infringed plaintiff's copyrights to Forming I, Food Packaging I, and Forming II. Because genuine issues of material fact remain

unresolved on this issue, judgment as a matter of law would be inappropriate. See Ruling on Plaintiff's Motion for Partial Summary Judgment, supra.

Plaintiff also seeks a determination that defendants willfully obstructed his ability to review the reports sought in his April 29, 1986 motion to compel. This issue was resolved with a protective order. See Ruling on Motion for Protective order, supra. See also supra, Item 8.

The court holds that none of the remaining grounds demonstrates a sufficient basis for imposing sanctions or for a finding of contempt. Plaintiff's motion is denied.

So ordered.

Signed Ellen Bree Burns, United States District Judge

Dated at New Haven, Connecticut, this 13th day of May, 1988.

Notes

1. The Magistrate found Forming II to be such a derivative work. Ruling at 16.

2. Plaintiff also argues that the defendants are not prohibited from selling Forming I and Food Packaging I. This position is not consistent with the language in the preliminary injunction ruling, which restrains the publishing and selling of these two works. See supra.

APPENDIX F

U.S. District Court, District of Connecticut

Denial of Motion for Production of Evidence and Compliance with Oral Court Order

No. Civil B-84-44 (EBB)

Ordered and filed February 20, 1991

April 24, 1990

Motion for production of Evidence and Compliance with Oral Court Order

Plaintiff respectfully request the Court to order the Defendants to:

1. Comply with the oral order issued by Magistrate Owen Eagan at the Settlement Conference on December 18, 1989, that they furnish the name, address, and Curriculum Vitae of their nominee to the arbitration panel.

2. Comply with the Court's standing Order for the Pretrial Memoranda, due

October 23, 1989, to furnishh items 11. Exhibits and 12. Deposition Testimony.

3. Furnish copies of the evidence in their possession as listed in item 11. of Plaintiff's Pretrial Memoranda of September 18, 1989.

February 20, 1991

Motion denied.

Signed F. Owen Eagan

United States Magistrate Judge

APPENDIX G

U.S. District Court, District of Connecticut

Ruling

No. Civil B-84-44 (EBB)

Ordered and filed October 31, 1989

Ruling

In furtherance of agreements made at the conference held on October, 1989, the court issues the following orders:

1. Plaintiff shall identify with particularity each element of damages alleged to have been caused by defendants. Plaintiff shall state both the amount he requests and how he calculated each figure.

2. Plaintiff shall state the legal theory upon which he relies for each element of damages. Plaintiff shall state the facts that support each legal theory.

3. Plaintiff shal identify and pro-

duce any records he has that establish, or tend to establish, the amount of the royalty deficiency. Plaintiff shall furnish to the defendants and the court information he claims to have previously disclosed regarding his claim for deficient royalty payments. The plaintiff may supplement any list, if necessary, to provide a full and accurate basis of proof for damages.

4. The plaintiff shall identify to the court the document in which he requested the dismissal of defendants' counterclaim. A copy of the docket sheet is enclosed to aid him in this task. Further disclosure regarding the Retort Pouch publication shall be held in abeyance pending receipt of plaintiff's response.

5. Defendants shall identify with particularity each element of damages alleged to have been caused by plaintiff.

Defendants shall state both the amount they request and how they calculated each figure.

The parties shall comply with this order on or before November 14, 1989, as agreed to at the conference.

So Ordered.

Signed Ellen Bree Burns, Chief Judge, United States District Court

Dated at New Haven, Connecticut, this 31st day of October, 1989.

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